



City of El Cajon

Community Development Department
Housing

200 Civic Center Way, El Cajon, CA 92020

Program Bulletin

June 2, 2022

Program Bulletin #2022-01

To: All Participating Lenders

Programs Affected: As Specified

Effective Date: June 1, 2022 (except Maximum Purchase Price)

PROGRAM CHANGES AND UPDATES

This bulletin is provided to serve notice to Participating Lenders of new changes related to the specified First-Time Homebuyer (FTHB) Program Manual and/or related documents. Please retain all bulletins in the front of the existing manual for your reference. All other existing terms and requirements of the City/Housing Authority FTHB programs, which are not superseded by these changes, will remain in force. The Manual forms and bulletins are available on the City of El Cajon web site at www.elcajon.gov/your-government/departments/community-development/housing-division/homebuyer-assistance-programs.

EFFECTIVE IMMEDIATELY (ALL FUNDS):

The City of El Cajon ("City") has contracted with the San Diego Housing Commission (SDHC) to administer the City's American Dream First-Time Homebuyer Program using CalHome and HOME funds. All loan applications must be submitted through SDHC's First-time Homebuyer Lender Portal located at <https://www.sdhc.org/housing-opportunities/first-time-homebuyers/participating-lenders/>. SDHC will be completing the eligibility and underwriting reviews and all loan processing activities on behalf of the City, all the way through to loan documents and escrow closing, in coordination with the El Cajon Community Development Department.

Only complete packages may be submitted to SDHC. Should you have any questions regarding your submission, please contact SDHC at ftfb@sdhc.org.

ALL PROGRAMS:

❖ CITY/AUTHORITY LOAN REQUIREMENTS (Section 3(III)(B))

- **AMENDED** LOAN ASSISTANCE TERMS (CalHome or HOME funds)

- Maximum Loan Amount for a Single Family Home (SFH), including a Manufactured Home (on a permanent foundation, or Townhome) = \$150,000 (previous amount was \$100,000);
- Maximum Loan Amount for a Condominium (Condo) = \$100,000 (previous amount was \$50,000);
- 15 years Affordability Period;
- Funds can only be used for down-payment assistance subject, to the Minimum Housing Ratio, Maximum Housing Ratio, and CLTV of 100%; and
- Assistance cannot exceed 22% of the sales price.

❖ **CITY/AUTHORITY LOAN REQUIREMENTS (Section 3 (IV)(A)(1))**

- **AMENDED "FRONT END RATIO"-AMERICAN DREAM FTHB PROGRAM:** the Housing Ratio of an assisted property cannot be less than 30% and no greater than 45% (previously 25%) of the Annual Gross Income of the Household:

❖ **CITY/AUTHORITY LOAN REQUIREMENTS (Section 3 (IV)(B)(1))**

- **AMENDED "BACK END RATIO"-MAXIMUM DEBT-TO-INCOME RATIO (ALL FUNDS):** The household total debt-to-income ratio cannot exceed 45% of the monthly Annual Income or Gross Income.

❖ **CITY MAXIMUM PURCHASE PRICE**

- **AMENDED "2022 LIMIT"**- Section 215(b) of the National Affordable Housing Act (NAHA) requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HOME funds not exceed 95 percent of the area median purchase price for single family housing, as determined by HUD.

In lieu of the limits provided by HUD, a PJ may determine 95 percent of the median area purchase price for single family housing (SFH) in the jurisdiction annually in accordance with procedures established at § 92.254(a)(2)(iii). The PJ must submit these limits as part of its Consolidated Plan/ Annual Action Plan.

The U.S. Department of Housing and Urban Development has requested an exception to the maximum purchase price for SFH and condominiums (Condo). **The anticipated new limits will be effective July 1, 2022 are \$722,000 for a SFH and \$418,000 for a Condo.**

Should you have any questions regarding City policy or program matters, and for any questions not related to a specific household's eligibility, please contact Jose Dorado, Housing Manager, at City of El Cajon, Community Development - Housing, at 619-441-1786 or jdorado@elcajon.gov.

Reviewed and approved by

Date:


6-2-2022